

Member

NEWS *April 2004*

Indiana Public Employees' Retirement Fund

PERF TAKES ON NEW LOOK



Lobby of the new Customer Service Center

PERF's new Customer Service Center is open on the ground floor of our offices at the corner of Capitol Avenue and Market Street in downtown Indianapolis, across the street from the State Capitol. Members can speak with a retirement counselor in person. The Center features full handicapped accessibility and private counseling areas. The Customer Service Center's new entrance is on Capitol Avenue. Public parking is conveniently located both directly next door to the entrance or north of the Market Street entrance.

Our new logo represents PERF's identity as a system of 6 separate retirement funds. It will help everyone identify the system's place in the financial industry.

With over \$10 billion in assets, more than 1,000 employers, approximately 220,000 active members, and 55,000 monthly benefit recipients, PERF is one of Indiana's leading financial institutions. Over the past year, we have launched major initiatives to reflect that standing.

Check out www.perf.in.gov. New graphics and organization will make PERF's website easier for both members and employers to find and use fund information. Use the Benefits Calculator. Download forms more directly.

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RETIRE

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READY, SET... RETIRE!

So you're thinking about retiring, and you don't plan to work for a different public agency or return to work in the near future? Enjoy daydreaming about which grandchild to visit first or where to wet your fishing line, but don't forget to start planning for your Public Employees' Retirement Fund benefits.

6 TO 12 MONTHS PRIOR TO RETIRING:

- Closely review the most recent quarterly statement of your Annuity Savings Account balance.
- Make sure your address is current with our offices.
- Use the benefits calculator at www.perf.in.gov to estimate your retirement benefits. Request an official estimate of your PERF benefits at our toll-free number.
- Resolve questions about purchasing additional eligible service.
- Remember that your earliest date of retirement can be the first day of the month following your last day in pay status. For instance, if your last day is May 1, then your earliest date to begin receiving benefits is June 1st.
- Gather information on other benefits, including Social Security at www.ssa.gov or call your local Social Security office.
- Review health care and insurance options. Contact the Retired Indiana Public Employees Association (RIPEA) at 1-800-345-9214.

3 TO 6 MONTHS PRIOR TO RETIRING:

- Request the new form, *Applying for Retirement Benefits*, by phone or download it from our website. You may also get the form from your payroll office.
- Consider your retirement payment options, tax issues, and beneficiary choices. Be careful to note beneficiary choices and retirement options since it may not be possible to make changes later.
- Arrange for an appointment at the Customer Service Center with a retirement counselor.
- Submit your retirement application as soon as you are comfortable with your choices. The earlier you send it into PERF, the more likely you are to receive your first payment in a timely manner.
- Strongly consider direct deposit for your check. It is the fastest and safest way to receive your monthly benefit.

1 TO 3 MONTHS PRIOR TO RETIRING:

- Be sure PERF received your application.
- Inform your employer of your estimated retirement date. Be certain to make sure the chosen date gives you the correct number of years to qualify for benefits before you leave employment. Work with your employer and PERF to confirm the correct date.
- Complete any outstanding paperwork, checking carefully for errors in addresses, beneficiaries, and Social Security Numbers.

RIPEA OFFERS RETIREMENT VALUE

Retirement presents new challenges for covering health insurance needs, and for staying current on issues that affect us as seniors. You will find partners in this effort as a member of RIPEA, the Retired Indiana Public Employees Association.

As a group, RIPEA can offer insurance options for members. They also propose and track legislation that affect seniors and publish a quarterly newsletter to keep members in touch.

If you are interested, call the RIPEA office toll-free at 1-800-345-9214 or in Indianapolis at 789-0244.

MANDATED WITHDRAWALS

We know we are supposed to put money into savings. It is harder to know when and how we are supposed to take it out.

Federal tax law, commonly called the minimum required distribution, requires PERF to pay the entire balance of your Annuity Savings Account (ASA) to you by April 1st of the year after you turn 70 1/2. Letters were sent to those who have already reached this milestone. If you are approaching that age and aren't withdrawing from this account, you should begin planning for how and when to receive your funds.

Withdrawing your account in the form of a refund is another option for members. Soon PERF will begin processing full refunds to members who are no longer employed in a PERF-covered position, who are not vested for a pension, and whose accounts are \$200 or less.

If you have an account but have not worked in a PERF-covered position for more than 10 years, remember that it no longer draws interest, and you have the option to withdraw these funds. However, if you are vested for a pension (10 or more years of service) and obtain a refund, you will lose your right to a pension benefit unless you return to a PERF-covered position for at least 6 months to reinstate prior service.

**If you have any questions, be sure to call
1-888-526-1687 (toll-free).**

LEGISLATIVE UPDATE

Two bills proposed in this year's session reached Governor Joseph E. Kernan's desk and were signed into law:

HB1285 - Pre-retirement withdrawals; confidentiality of PERF records.

Requires the pension management oversight commission (PMOC) to study the feasibility of authorizing members of the Public Employees' Retirement Fund to withdraw, before retirement, a member's contributions when the member demonstrates an immediate and great financial need. Provides that individual participation records and membership information for all six retirement funds, administered by the PERF board, are confidential.

HB1306 - COLA (cost of living adjustment) to PERF and TRF.

Members, survivors, or beneficiaries of members who retired or were disabled before January 1, 2004, will receive a 2% increase of the pension portion of their monthly benefit payable after December 31, 2004.

GUARANTEED FUND RATE ANNOUNCED

The PERF board of trustees set a new Guaranteed Fund rate of 6.25% for the fiscal year starting July 1, 2004. Even with this 1% reduction, the chart below shows how great our rate is compared to other income rates, and it is risk-free.

2005 Guaranteed Rate*	6.25%
3 month US Treasury Bill	0.91%
6 month US Treasury Bill	1.00%
2 year US Treasury Note	1.82%
10 Year US Treasury Note	4.13%
30 Year US Treasury Bond	4.96%
Savings Bond	2.30%
1-year Certificate of Deposit	1.66%

*The rate was lowered to better reflect actual earnings of the fund. The board adopted a new method for setting the rate in future years. The actual return of the entire pension fund over the previous 5 years will be used to determine an increase or decrease of no more than .5% each year. In addition to reflecting fund performance, the new method will help keep costs down for employers, and provide a competitive rate for the members.

CHECK YOUR BENEFICIARY

A long-time PERF member dies with thousands of dollars in his account. Now, his widow stands in PERF's offices wondering why that money is going to be paid to the ex-wife he divorced years earlier. Unfortunately, the deceased member never changed his beneficiary designation as his family circumstances changed. There is nothing that can be done now, she is told. Upset, she demands to see her records, only to discover her ex-husband is still listed as her beneficiary because *she* never made the change.

Failure to change beneficiaries is one of the most frequent issues PERF confronts. In the event of a member's death, state law requires the fund to pay benefits only to those beneficiaries named on the signed beneficiary designation form, no matter how unfortunate, unfair, or unpleasant that obligation seems.

You, as the member, are required to make sure the information on file reflects your wishes. Telling employers is not enough. Changes cannot be made if an employer passes along the information to PERF. Because of the requirement for a signed beneficiary form, you must make the change, in writing, and send it to PERF.

The process for changing beneficiaries is simple:

- Download a form at www.perf.in.gov, click on the Public Employees' Retirement Fund button, then on Member Forms.
- If you don't have internet service, call 1-888-526-1687 and request the form be sent to you.
- Fill it out, SIGN it, and return it to the address listed on the form.

AVOID SECONDHAND INFORMATION

Be careful about relying on fellow employees, outsiders, even websites that claim to know what you may or may not qualify for under pension law. You should discuss any questions you have about the Public Employees' Retirement Fund, and your rights and obligations as a member, with authorized representatives of the Fund. These specialists know the provisions of the retirement system and the options available to you.

The information is free. Simply call toll-free at 1-888-526-1687. You can also send a question by email to questions@perf.in.gov.

PERF's Outreach Division offers informational meetings across the state. There may be a group meeting in your area, or your employer may be able to arrange such a meeting. Visit our website at www.perf.in.gov to find an outreach meeting schedule.

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A publication of the Indiana Public Employees' Retirement Fund, a system of six retirement plans designed in partnership with employers and elected officials to provide secure long-term retirement benefits for employees who choose careers in public service.

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